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UNITED STATES GOVERNMENT

X-GDS-1

# Memorandum

(S) 36

BH83A

TO : Tex Harris, Political Section

DATE: May 2, 1978

FROM : Barbara Shelby Merello, Lincoln Center Director (ICA) *BSM*

SUBJECT: MemCon on Kidnapping of Dalmiro Sáenz and Luis Fernández Oliveira  
Present: Nora Fag (Dalmiro's wife), Agustín Merello and BSM  
Time and place: Nora's apartment, April 25, 1978

ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/IPS

Margaret P. Grafeld, Director

( ) Release ( ) Excise ( ) Deny

Exemption(s):

Declassify: ( ) In Part ( ) In Full

( ) Classify as ( ) Extend as ( ) Downgrade to

Date Declassify on Reason

SUMMARY: Dalmiro Sáenz, Argentine writer and journalist, author of short stories and satirical essays such as SETENTA VECES SIETE, EL PEQUEÑO LANUSSE ILUSTRADO, EL OFICIO DE ESCRIBIR CUENTOS, TREINTA TREINTA and EL PECADO NECESARIO, was kidnapped from his apartment at Viamonte 454, 8: 15, at 2:00 A.M. on April 20th and interrogated on the financial affairs of KOPACO, a paper company belonging to three sisters named Fag, with one of whom, Nora, Dalmiro is living. Nora's brother-in-law Luis (Cacho) Fernández Oliveira, former president or general manager of KOPACO, was picked up in the same operation. The two were interrogated separately for five days and released in La Tablada the evening of the 24th.

BACKGROUND: KOPACO, in financial difficulties last year, fell behind in paying its workers' salaries and Fernández Oliveira was hauled before the Army Chief of Jurisdiction of the factory zone and threatened with jail or worse if the wages were not immediately paid. KOPACO managed to pay its workers on time for one or two months more; then Fernández Oliveira suddenly declared bankruptcy, packed his bags and left the country, leaving his family behind but presumably taking some of the firm's assets with him. The Fag sisters, realizing the firm was in trouble and the bankruptcy might be declared fraudulent in court, asked Dalmiro to try to salvage what he could. With the aid of an experienced accountant, he came to the conclusion that if the factory and grounds were sold the proceeds would be enough to pay off the debts and put the firm's other line, boxes and corrugated cardboard, back on its feet.

While Dalmiro was trying to reach a satisfactory agreement with the company's creditors, Fernández Oliveira returned to his family in Argentina. Still to be resolved was a substantial amount owed to the Ministry of Welfare for social security retirement benefits.

NOTE: Several years ago, before he was involved with Nora or KOPACO, Dalmiro Sáenz received a death threat from the Three A's for his writings or Peronist sympathies or both and went to live in Punta del Este, returning to Buenos Aires two or three years ago.



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THE ABDUCTION: Nine men and two vehicles, an ambulance belonging to the Ministry of Social Welfare and a private car, were mobilized for the kidnapping that took place on Thursday night, April 20, 1978. Five men, four dressed as doctors or male nurses and the fifth in civilian clothes, entered the building at Viamonte 454 where Dalmiro Sáenz was alone in his apartment, first occupying the apartment next door and cutting the telephone line, then making the concierge open the door of Dalmiro's apartment. All were armed. They shook him out of bed and made a thorough search of the apartment for the next three ~~xxx~~ hours. At about five in the morning they left with Dalmiro, taking with them KOPACO shares which Dalmiro was keeping for the next shareholders' meeting.

They proceeded in the ambulance, tailed by the other car with four men, to Luis Fernández Oliveira's house in San Isidro - Béccar, where they held a pistol to Dalmiro's temple and obliged him to call to Fernández Oliveira, who opened the door and was dragged into the ambulance. Both were gagged and blindfolded and driven some distance to an unknown place, where they remained blindfolded and bound for five days except for an occasional meal.

During this time they were interrogated separately concerning KOPACO's financial difficulties and the recent sale of real estate by the Fag family. Since reprisals were threatened against the women, Dalmiro answered all their questions, including the sale price of a magnificent house owned by Nora in Mar del Plata.

On Friday night a shady character named Collazo, who formerly worked in some administrative capacity for KOPACO and is suspected of links to Security Forces' Special Services branch, tried to extort several million pesos from the Fag sisters, saying that he knew "how these people operate" and that he would be called upon to testify in favor of Dalmiro and Luis. They put him off during the weekend by saying they did not have ~~the~~ ready cash in such amounts and tried to find out more. They know that he is chronically short of funds and do not think he masterminded the operation, but they strongly suspect that he tipped off whoever did.

One of the interrogators asked Dalmiro whether he was the author of the short story "Treinta Treinta"; fortunately none of them seem to have read his more satirical anti-military essays. The prisoners were not mistreated (except for being kept blindfolded, bound, and with a radio playing loudly so they could not talk together) until Fernández Oliveira broke down midway through their captivity, became hysterical and was beaten until he quieted down.

On Saturday they were taken in a car to what seemed to be a vacant lot, where there was a discussion they could not hear; apparently some order was cancelled and they were taken back to their first destination. On Sunday Dalmiro persuaded one of their captors to call Nora and reassure her of his safety.

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Several things led them to believe they had been taken to the vicinity of Migueletes and were in the hands of the Navy rather than the Army: the sound of airplanes as they were driving to their destination; a glimpse of greenish khaki fatigues (which could be Army or Navy); the question of one of the guards, "Who do you think we are?" to which Dalmiro answered, "From the Army" and received a snickering reply: "If we were from the Army we wouldn't be treating you so well;"; the facts that the Ministry of Social Welfare "belongs" to the Navy and the blackmailer, Collazo, has a business partner who is a Naval officer. However, the family is now inclined to think that the whole affair may have been staged as a private act of revenge. The two sisters are not close, and Nora and Dalmiro do not know what enemies Fernández Oliveira may have.

On Monday night the two men were taken to La Tablada and Dalmiro was let off at a grocery store -- or rather, dumped out of the car and his face bruised -- twelve pounds lighter than he had been five days before. Fortunately he is an athlete in top physical condition. The next day he left for Punta del Este, where he intends to stay for the next several months.

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